

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35844]

Stillwater Central Railroad, LLC—Acquisition Exemption Containing Interchange
Commitment—Oklahoma Department of Transportation

Stillwater Central Railroad, LLC (SLWC), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from the state of Oklahoma (the State), acting through the Oklahoma Department of Transportation (ODOT), and to operate approximately 97.5 miles of rail line between milepost 438.9 in Sapulpa, Okla., and milepost 536.4 in eastern Oklahoma City, Okla. (the Line).

The State, by and through ODOT, acquired the Line from The Burlington Northern and Santa Fe Railway Company (now known as the BNSF Railway Company) (BNSF), pursuant to an agreement dated February 12, 1998.¹ According to SLWC, the agreement between ODOT and BNSF contains an interchange commitment that ODOT is contractually obligated to assign to any future purchaser of the Line. SLWC notes that the affected interchange point is Sapulpa. As required under 49 C.F.R. § 1150.43(h)(1),

¹ The acquisition was authorized by the Board in State of Oklahoma by & through the Oklahoma Department of Transportation—Acquisition Exemption—The Burlington Northern & Santa Fe Railway, FD 33620 (STB served July 10, 1998). On that same date, SLWC was authorized to lease and operate the Line. See, Stillwater Cent. R.R.—Lease and Operation Exemption— State of Okla. by & through the Okla. Dep’t of Transp., FD 33621 (STB served July 10, 1998).

SLWC provided additional information regarding the interchange commitment. SLWC has certified that its projected annual revenues as a result of this transaction will not result in SLWC's becoming a Class II or Class I rail carrier, but that its projected annual revenues will exceed \$5 million. Accordingly, SLWC is required, at least 60 days before this exemption is to become effective, to send notice of the transaction to the national offices of the labor unions with employees on the affected lines, post a copy of the notice at the workplace of the employees on the affected lines, and certify to the Board that it has done so. 49 C.F.R. § 1150.42(e). SLWC asserts that providing the 60-day notice would serve no useful purpose because SLWC already has authority to operate the Line under lease from ODOT.

SLWC, concurrently with its notice of exemption, filed a petition for waiver of the 60-day advance labor notice requirement under § 1150.42(e), asserting that, although ODOT is the owner of the Line, ODOT also is a noncarrier, therefore: (1) no ODOT employees will be affected because no ODOT employees have performed operations or maintenance on the Line; and (2) no SLWC employees will be affected because SLWC will continue to provide the same service and maintenance on the Line as it has been providing since the inception of the lease. SLWC states that the transaction will simply convert SLWC's lease of the Line to an ownership interest. SLWC's waiver request will be addressed in a separate decision.

SLWC states that it intends to consummate the transaction on or after July 31, 2014 (after the effective date of this transaction, which is July 30, 2014). The Board will

establish in the decision on the waiver request the earliest date this transaction may be consummated.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than July 23, 2014.

An original and 10 copies of all pleadings, referring to Docket No. FD 35844, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Karl Morell, Ball Janik LLP, Suite 225, 655 Fifteenth St., N.W., Washington, DC 20005.

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Decided: July 11, 2014.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.